Audit Committee– minutes
20 June 2019

Members:

Ailsa Beaton (chair)	Non-Executive Director
Roger Barlow	Independent Audit Committee member
Jane McCall	Non-Executive Director

Attendees:

ICO

Elizabeth Denham	Information Commissioner
Paul Arnold	Deputy Chief Executive Officer
Louise Byers	Director of Corporate Affairs and Governance
Andrew Hubert	Director of Resources

Internal Auditors

Peter Cudlip	Mazars
Michaela Spiller	Mazars

External Auditors

David Eagles	BDO
Matthew Atkinson	NAO

Secretariat

Chris Braithwaite	Senior Corporate Governance Manager
Caroline Robinson	Corporate Governance Officer

1. Introductions and apologies

1.1. Apologies for absence were received from Sid Sidhu and Mark Colman.

2. Declaration of interests

2.1 No declarations of interest were made.

3. Matters arising from the previous meeting

3.1 The minutes of the previous meeting were approved as an accurate record.

3.2 Chris Braithwaite updated on the one outstanding action.

3.3 Ailsa Beaton stated that she provided the annual letter of assurance to DCMS to confirm that there are no significant issues.

3.4 It was highlighted that the ICO was required to report to DCMS annually with regard to cyber security. It was agreed that progress needs to be formally monitored by the committee.

Action: Corporate Governance to add agenda items to the work programme for the Committee to monitor the progress on cyber security (particularly for the Committee's April meeting).

4. Deputy Chief Executive Officer's update

4.1 Paul Arnold provided the Committee with an update on matters relating to the Committee's work which were not otherwise addressed in the agenda. This included updates on GDPR one year on, the response to the Online Harms white paper, Adtech report, and progress on major investigations. He also updated on the move into Sandfield House and the pay progression assessment.

4.2 Paul Arnold thanked Chris Braithwaite for his efforts in compiling the annual report and stated that it was expected that there will be an annual accountability appearance before the DCMS Select Committee in the Autumn.

4.3 Elizabeth Denham updated on her recent overseas trips and stressed the importance of the bi-lateral meetings held in the margins of the conferences to ensure that UK citizens' and residents' data is protected around the world.

4.4 The Committee agreed that the impact and benefits of international collaboration was very important.

4.5 The Committee asked whether there would be an impact on the Age Appropriate Design Code (AADC) due to the delay of age verification. Elizabeth Denham explained that age verification was only one of a wide range of options for compliance with the AADC.

5. External audit (National Audit Office)

5.1 David Eagles, representing the external auditors, highlighted key areas of the external audit report. He confirmed that there were no significant issues and that the ICO had been well prepared for the audit. However, concerns were highlighted in the delay in receiving a final draft of the annual report.

5.2 The Committee discussed the delays which had prevented BDO being able to sign off on the annual report, particularly the financial statements and remuneration report. As a result, the Committee was currently unable to recommend that the Commissioner sign the final set of accounts, as there were some points which needed to be resolved. The Committee agreed that they were willing to provide their sign-off on the annual report by email, once all comments from BDO and NAO had been incorporated.

5.3 The Committee confirmed that they were not aware of any fraud.

5.4 The Committee noted the draft audit certificate and recommended that the Information Commissioner, Elizabeth Denham, sign the letter of representation.

Actions: Paul Arnold to provide the Committee with an update on the annual accounts by close of play Friday 21 June.

Chris Braithwaite to provide the Audit Committee with an updated version of the annual report, reflecting BDO and NAO's comments, for sign off by email.

Corporate Governance to provide a lessons learnt report on the annual report to come to the Audit Committee meeting in October.

Corporate Governance to provide a timeline for producing the annual report to the Audit Committee in April, with regular updates provided on the progress.

6. Audit Committee Annual Report

6.1 The Committee agreed the Audit Committee annual report, subject to minor changes to the wording stating that the Information Commissioner attended all meetings and

removing the reference to late actions on advisory audits, as those actions had now been completed.

7. Annual Report and Accounts

7.1 Chris Braithwaite provided the committee with the most up to date version of the annual report and highlighted the key changes.

8. Risk and Opportunity Register

8.1 Louise Byers outlined the changes to the risk register that was reviewed and agreed by the Management Board. The next update to the risks register will be in July, ready for the Management Board meeting in August.

8.2 It was confirmed that there has been a lot of work carried out in relation to scenario planning. In addition, the ICO will be conducting business impact assessments which should be complete by the end of the year.

8.3 It was agreed that the scenario planning will need to be reviewed in September to reflect events within Government and EU withdrawal.

9. Finance

9.1 Andrew Hubert introduced the finance report, highlighting issues of interest.

9.2 Data protection fees received in May and June are running ahead of forecast.

9.3 Regular monthly meetings are being held with the budget owners to discuss resourcing and budget. These meetings were important for budget monitoring, but would also assist Finance in improving the profiling of the budget.

9.4 Staff costs will be confirmed after the pay progression process has been completed.

9.5 Louise Byers confirmed that DCMS have been very supportive in helping to raise awareness of the need to pay the data protection fee, including an item in the HMRC monthly bulletin, which was sent to over 1m businesses.

10. Procurement and Contract Management Audit

10.1 Andrew Hubert presented the update report and proposed Procurement and Contract Management Policy.

10.2 Procurement will be reviewed at the monthly budget meetings held with Directors. In addition quarterly meetings with the Executive Directors have been arranged.

10.3 The follow up for the procurement audit will be carried out in January 2020.

10.4 Ailsa Beaton appreciated the fact that the plan and policy have been completed in a short period of time.

10.5 Jane McCall explained that she had spoken to Andrew Hubert to receive additional information and was content with all the information she had received.

11 Outstanding Audit Recommendations

11.1 It was confirmed that the outstanding actions relating to Assurance Mapping have now been completed.

Action: Louise Byers to circulate the assurance map to the Committee and Mazars.

11.2 The committee agreed that they were happy with the actions carried out for the procurement audit.

11.3 All actions are on track for completion when stated.

11.4 The committee approved the changes to the Audit Committee annual report to state that there are no late actions.

12 Internal Audit

12.1 Michaela Spiller representing Mazars confirmed that they are on track for delivery of the audits.

12.2 The Risk Management Audit has been completed and the report will come to the next meeting.

12.3 Discussions are currently taking place on the scope of the Stakeholder Impact audit, which would measure the ICO's impact as a regulator.

13 Any other urgent business

13.1 The Commissioner made a special note of thanks to the Audit Committee for their support throughout the year and thanked

Chris Braithwaite for his hard work in compiling the annual report. The Committee discussed reviewing the format of the annual report to ensure that it was appropriate in light of the increased public and parliamentary awareness of the ICO's work and the ICO's other communications activities.